

# ITEL

## **Itel Rail Corporation**

55 Francisco Street  
San Francisco, California 94133  
(415) 984-4000

August 19, 1987

RECORDATION NO. *8797-R*  
Filed 1478

AUG 25 1987 - 10 20 AM

*8/25/87*  
JAN 20 20.00

Hon. Noreta R. McGee  
Secretary

Interstate Commerce Commission  
Washington, DC 20423

INTERSTATE COMMERCE COMMISSION

ICC Washington, D. C.

**Re: Amendment No. 2 dated August 7, 1987, to the Lease Agreement dated April 4, 1977, as amended, between SSI Rail Corp. and Terminal Railway, Alabama State Docks**

Dear Ms. McGee:

On behalf of Itel Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 USC §11303(a), along with a check in the amount of \$20 covering the recordation fees.

Please record this Amendment under the Lease Agreement dated April 4, 1977, as amended, between SSI Rail Corp. and Terminal Railway, Alabama State Docks, which was filed with the ICC on April 27, 1977, under Recordation No. 8797. Please also cross-index this Amendment to the Equipment Trust Agreement dated January 1, 1982, between Itel Rail Corporation and First Security Bank of Utah, N.A., which was filed with the ICC on September 30, 1983, under Recordation No. 14165.

The parties to the aforementioned instrument are listed below:

Itel Rail Corporation (Lessor)  
55 Francisco Street  
San Francisco, California 94133

Alabama State Docks Department, an Agency of (Lessee)  
The State of Alabama  
d/b/a Terminal Railway, Alabama State Docks  
P.O. Box 1588  
Mobile, Alabama 36633

This Amendment deletes fifty (50) boxcars bearing reporting marks from within the series T ASD 77001-77300 and replaces and/or deletes certain equipment schedules as stated therein.

Hon. Noreta R. McGee  
August 19, 1987  
Page Two

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the fee receipt and ICC acknowledgment letter.

Very truly yours,

Patricia Schumacker  
Legal Department

:ps  
Enclosures

cc: Ginny Hanger

03/05/87

AUG 25 1987 -19 20 AM

**AMENDMENT NO. 2**

INTERSTATE COMMERCE COMMISSION

ASSIGNED TO FIRST SECURITY BANK  
OF UTAH, N.A., TRUSTEE, UNDER  
A LEASE ASSIGNMENT.

**THIS AMENDMENT NO. 2** (the "Amendment") to that certain Lease Agreement dated as of April 4, 1977, as amended, (the "Agreement"), by and between **SSI RAIL CORP. and ALABAMA STATE DOCKS DEPARTMENT**, an Agency of the State of Alabama, d/b/a **TERMINAL RAILWAY, ALABAMA STATE DOCKS**, as lessee ("Lessee") is made as of this 7th day of August, 1987, between **ITEL RAIL CORPORATION**, as successor in interest to SSI Rail Corp. ("Itel Rail") and Lessee.

**RECITALS:**

- A.** Itel Rail and Lessee are parties to the Agreement pursuant to which one thousand (1,000) boxcars bearing the reporting marks T ASD 77001-77300 and 78001-78700 (the "Boxcars") were leased and delivered to Lessee and three hundred ninety-eight (398) boxcars ("Undelivered Boxcars") were not delivered to Lessee.
- B.** The Boxcars bearing the reporting marks T ASD 77067; T ASD 77108; T ASD 77291; T ASD 78012; T ASD 78080; T ASD 78084; T ASD 78394; T ASD 78642; and T ASD 78684 were destroyed on or about April 15, 1986; May 1, 1980; May 29, 1986; May 20, 1982; July 25, 1980; November 20, 1984; December 30, 1979; March 26, 1986; and December 16, 1981, respectively.
- C.** Itel Rail and Lessee desire to remove the Undelivered Boxcars and the destroyed Boxcars from the Equipment Schedules.
- D.** Fifty (50) Boxcars bearing reporting marks from within the series T ASD 77001-77300 have been terminated from the Agreement pursuant to a notice from Itel Rail to Lessee dated March 6, 1987.
- E.** Itel Rail agrees to pay to Lessee a fee for each empty Boxcar which is interchanged, at Itel Rail's request, from Lessee's lines to another railroad.

**NOW, THEREFORE**, in consideration of the premises and mutual covenants contained herein, the parties agree to amend the Agreement as follows:

- 1.** All terms defined in the Agreement shall have their defined meanings when used in this Amendment.
- 2.** Equipment Schedules No. 13 and No. 14 are deleted from the Agreement in their entirety.
- 3.** Equipment Schedules No. 1, No. 2, No. 3, No. 4, No. 7, and No. 15 are respectively replaced by Equipment Schedules No. 1.A., No. 2.A., No. 3.A., No. 4.A., No. 7.A., and No. 15.A.

THIS INSTRUMENT IS SUBJECT TO A SECURITY INTEREST IN  
FAVOR OF HELLER FINANCIAL, INC. UNDER THE HELLER  
FINANCIAL, INC. LOAN AND SECURITY AGREEMENT WITH ITEL  
RAIL CORPORATION DATED AS OF SEPTEMBER 30, 1986.

4. All references to Schedule No. 15 in Amendment No. 1 dated March 26, 1980 to the Agreement are deemed to refer to Equipment Schedule No. 15.A.
5. Effective as of February 1, 1987, a new Subsection 3.D. is added to the Agreement as follows:
  - "D. During the term of this Agreement, Itel Rail may, at its expense, replace any or all of the Boxcars with similar boxcars upon prior written notice from Itel Rail to Lessee.
6. The words "in the name of Lessee and Itel Rail (or its assignee)" in Subsection 5.C. of the Agreement are replaced by the words "in the name of Lessee, Itel Rail (or its assignee) and Heller Financial, Inc.".
7. A new sentence is added to Subsection 6.C. as follows:

"Effective February 1, 1987, if Itel Rail terminates Boxcar(s) from any Equipment Schedule pursuant to the preceding sentence, Itel Rail may, at its sole option, adjust the remaining Boxcars subject to the Agreement in such a manner that a number of then remaining Boxcars less than or equal to the number of Boxcars terminated at such time are removed from other Equipment Schedule(s) and are added to and become subject to the terms related to the Equipment Schedule from which the Boxcars were terminated. Itel Rail shall provide Lessee with ten (10) days' prior written notice of any such adjustment. Itel Rail shall not exercise this option with respect to the fifty (50) Boxcars terminated by the notice dated March 6, 1987."
8. A new Subsection 6.G. is added to the Agreement as follows:
  - "G. The parties agree that the rental rate in determining the payments to be paid for the use of Boxcars under this Agreement shall be the hourly and mileage car hire rates prescribed for excluded boxcars under the Commission's decision in ICC Ex Parte No. 346, Sub-No. 19 served September 12, 1986, set forth in the Appendix to such decision in paragraph (c)(3) of 49 C.F.R. 1039.14. In the event that Itel Rail shall receive Payments for the use of any Boxcar during the term of this Agreement that are lower in amount than those specified for excluded boxcars in the preceding sentence, as a result of any action taken by Lessee without Itel Rail's prior written consent, Lessee shall ensure that Itel Rail receives the amount of Payments such Boxcar would have earned under the rates for excluded boxcars in the preceding sentence."
9. The words "entered into by Itel Rail in connection with the aquisition of Boxcars" in Subsection 7.A. of the Agreement are replaced by the words "pursuant to which Itel Rail's obligations thereunder are or become secured by the Boxcars."
10. Effective as of the first day of the calendar month following the calendar month in which Lessee executes this Amendment, a new Section 14 is added to the Agreement as follows:

"14. In order to reimburse Lessee for expenses related to the movement of empty Boxcars at Itel Rail's request as set forth herein from Lessee's lines to the lines of other railroad(s):

A. Itel Rail shall

each empty Boxcar that is interchanged from Lessee's lines, at Itel Rail's request, to another railroad, except for empty Boxcars interchanged from Lessee's lines for movement to a repair facility for remarking or repairs.

B. Lessee shall submit to Itel Rail, within thirty (30) days after the end of the month in which such activity occurred ('Activity Month'), a summary ('Movement Summary') which lists the reporting marks and number of each Boxcar interchanged pursuant to this Section and the date and hour such Car was interchanged."

11. Except as expressly modified by this Amendment, all terms and provisions of the Agreement shall remain in full force and effect with respect to all of the Boxcars subject to the Agreement.

12. This Amendment may be executed by the parties hereto in any number of counterparts and all said counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

ITEL RAIL CORPORATION

TERMINAL RAILWAY,  
ALABAMA STATE DOCKS

By: *[Signature]*

By: *[Signature]*

Title: President

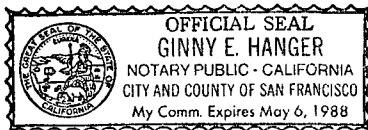
Title: *[Signature]*

Date: August 7, 1987

Date: Aug 11, 1987

STATE OF CALIFORNIA       )  
  ) ss:  
COUNTY OF SAN FRANCISCO )

On this 7th day of August, 1987, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing Amendment No. 2 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Ginny E. Hanger  
Notary Public

STATE OF ALABAMA       )  
  ) ss:  
COUNTY OF MOBILE       )

On this 12 day of JUNE, 1987, before me personally appeared E. G. Browning, to me personally known, who being by me duly sworn says that such person is General Manager of Terminal Railway, Alabama State Docks, that the foregoing Amendment No. 2 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Mary S. Damillo  
Notary Public

EQUIPMENT SCHEDULE NO. 1.A.

Itel Rail Corporation hereby leases the following Boxcars to Terminal Railway, Alabama State Docks subject to the terms and conditions of that certain Lease Agreement dated as of April 4, 1977.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions		Height	Doors Width	No. of Cars
				Inside Width				
XM	70 ton, 50'6" inside length, Plate C with nailable steel floors, end of car cushioning, single sheath boxcar	TASD 77001- 77066, 77068- 77100	50' 6"	9'6"		11'2"	10' Sliding	99


ITEL RAIL CORPORATION

By: 

Title: President

Date: August 7, 1987

TERMINAL RAILWAY, ALABAMA STATE DOCKS

By: 

Title: General Manager

Date: June 12, 1987

EQUIPMENT SCHEDULE NO. 2.A.

Itel Rail Corporation hereby leases the following Boxcars to Terminal Railway, Alabama State Docks subject to the terms and conditions of that certain Lease Agreement dated as of April 4, 1977.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions		Height	Doors Width	No. of Cars
				Inside Width				
XM	70 ton, 50'6" inside length, Plate C with nailable steel floors, end of car cushioning, single sheath boxcar	TASD 77101- 77107, 77109- 77200	50' 6"	9'6"		11'2"	10' Sliding	99

ITEL RAIL CORPORATION

By: *DD Hayes*  
Title: President  
Date: August 7, 1987

TERMINAL RAILWAY, ALABAMA STATE DOCKS

By: *ES Brown*  
Title: General Manager  
Date: Jan 10, 1987



EQUIPMENT SCHEDULE NO. 3.A.

Itel Rail Corporation hereby leases the following Boxcars to Terminal Railway, Alabama State Docks subject to the terms and conditions of that certain Lease Agreement dated as of April 4, 1977.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions Inside		Height	Doors Width	No. of Cars
				Width				
XM	70 ton, 50'6" inside length, Plate C with nailable steel floors, end of car cushioning, single sheath boxcar	TASD 77200- 77290, 77292- 77300	50' 6"	9'6"		11'2"	10' Sliding	99

ITEL RAIL CORPORATION

By: 

Title: President

Date: August 7, 1987

TERMINAL RAILWAY, ALABAMA STATE DOCKS

By: 

Title: Gen'l Mgr.

Date: Jan 13, 1987

EQUIPMENT SCHEDULE NO. 4.A.

Itel Rail Corporation hereby leases the following Boxcars to Terminal Railway, Alabama State Docks subject to the terms and conditions of that certain Lease Agreement dated as of April 4, 1977.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions		Doors Width	No. of Cars
				Inside Width	Height		
XM	70 ton, 50'6" inside length, Plate C with nailable steel floors, end of car cushioning, single sheath boxcar	TASD 78001- 78011, 78013- 78079, 78081- 78083, 78085- 78100	50' 6"	9'6"	11'2"	10' Sliding	97

ITEL RAIL CORPORATION

By: *DP Hayes*  
Title: President  
Date: August 7, 1987

TERMINAL RAILWAY, ALABAMA STATE DOCKS

By: *E. B. Brown*  
Title: *General Manager*  
Date: *Jan 10, 1988*

EQUIPMENT SCHEDULE NO. 7.A.

Itel Rail Corporation hereby leases the following Boxcars to Terminal Railway, Alabama State Docks subject to the terms and conditions of that certain Lease Agreement dated as of April 4, 1977.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions		Doors Width	No. of Cars
				Inside Width	Height		
XM	70 ton, 50'6" inside length, Plate C with nailable steel floors, end of car cushioning, single sheath boxcar	TASD 78301- 78393, 78395- 78400	50' 6"	9'6"	11'2"	10' Sliding	99

ITEL RAIL CORPORATION

TERMINAL RAILWAY, ALABAMA STATE DOCKS

By: *DP Hayes*

By: *EB Brown*

Title: *President*

Title: *Gen'l Mgr*

Date: *August 7, 1987*

Date: *June 15, 1987*

EQUIPMENT SCHEDULE NO. 15.A.

Itel Rail Corporation hereby leases the following Boxcars to Terminal Railway, Alabama State Docks subject to the terms and conditions of that certain Lease Agreement dated as of April 4, 1977.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions		Height	Doors Width	No. of Cars
				Inside Width				
XM	70 ton, 50'6" inside length, Plate C with nailable steel floors, end of car cushioning, single sheath boxcar	TASD 78601- 78641, 78643- 78683, 78685- 78700	50' 6"	9'6"		11'2"	10' Sliding	98

ITEL RAIL CORPORATION

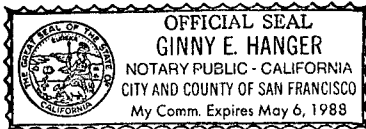
By: *DD Hayes*  
Title: President  
Date: August 7, 1987

TERMINAL RAILWAY, ALABAMA STATE DOCKS

By: *F. B. Brown*  
Title: *Manager*  
Date: June 10, 1987

STATE OF CALIFORNIA       )  
                                      ) ss:  
COUNTY OF SAN FRANCISCO )

On this 7th day of August, 1987, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing Equipment Schedules No. 1.A., No. 2.A., No. 3.A., No. 4.A., No. 7.A., and No. 15.A. were signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instruments was the free act and deed of said corporation.



Ginny E. Hanger  
Notary Public

STATE OF ALABAMA       )  
                                      ) ss:  
COUNTY OF MOBILE       )

On this 10th day of June, 1987, before me personally appeared E. G. Browning, to me personally known, who being by me duly sworn says that such person is General Manager of Terminal Railway, Alabama State Docks, that the foregoing Equipment Schedules No. 1.A., No. 2.A., No. 3.A., No. 4.A., No. 7.A., and No. 15.A. were signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instruments was the free act and deed of said corporation.

Mary E. Daniels  
Notary Public